

May 20, 2002

Rick W. Sprott, Director  
Utah Division of Air Quality  
Department of Environmental Quality  
150 N. 1950 W.  
P.O. Box 144820  
Salt Lake City, UT 84114-4820

**RE: Intermountain Power - Title V & Approval Order Compliance - Interpretation**

Attn: Milka Radulovic

Dear Director Sprott,

The Division of Air Quality (DAQ) has issued both an Approval Order (DAQE-049-02) and a Title V Operating Permit administrative amendment (#2700010001 4/10/2002) relating to modifications being made to the Intermountain Power Project (IPP) units One & Two. Both of these permits outline the conditions under which those modifications are to be made and operated. There are two identical conditions found in both documents that appear to have some ambiguity for which the Intermountain Power Service Corporation (IPSC) would like clarification.

**Background**

On April 5, 2001, IPSC submitted an Notice of Intent (NOI) to the DAQ in preparation to uprate IPP through several modifications. Those specific modifications directly affecting emissions included increased heat input, boiler additions, and scrubber enhancement. As a result, the DAQ issued permits with new conditions. The conditions of particular interest are the lowering of emission limits to maintain the same PTE of criteria pollutants, and the use of "WEPCO" compliance to avoid Prevention of Significant Deterioration (PSD) triggers.

**Description**

In Approval Order DAQE-049-02, Condition 9 and Condition 25 outline new requirements pursuant to the uprate modifications at IPP. Condition 9 sets emission limitations specific to the main boilers. There are two groups of limits to follow: boiler emission limits for NOx, SO2 and PM10 while operating the boiler at current design (pre-modification) heat input rates, and lower emission limits while the boiler is operated when rated at new modified design (after modification) heat input rates.

Condition 25 requires reporting data following aspects of the WEPCO rule to demonstrate that the uprate modifications did not result in significant net emissions increases under PSD.

In our latest revision of Title V Operating Permit #2700010001, these same requirements are found in Conditions II.B.2.a, II.B.2.b, and II.B.2.c for new permit limits, and Condition II.B.2.f

for WEPCO reporting. Since these conditions mirror those found in the AO, we will only address our questions to the language of the AO.

### **Clarification - Condition 9**

The language in Condition 9 of AO DAQE-049-02 stipulates two sets of emission limits; one set prior to the modifications at IPP at the current boiler design of 8500 Mbtu/hr, and another set after the modifications are complete that changes the boiler design heat input rate to 9225 MMbtu/hr. Unfortunately, there is no discussion in Condition 9 regarding emission limits during the modification process.

It was not foreseen by IPSC that an interim emission limit would be needed. IPSC has begun making the modifications listed in our NOI. Since we have performed some modifications to Unit Two, we find that our operation of Unit Two may partially utilize these modifications prior to the completion of the uprate in 2004. Specifically, a new dense pack turbine has been installed, some of the scrubber wall rings have been installed, and safety valves to the boiler have been modified. Through acceptance testing of the turbine, we find that we can now operate most efficiently at 900 MW rather than at the current 875 MW. Operating at a production rate of 900 MW brings heat input requirements to about the original design of 8500 MMbtu/hr.

If we choose to operate at this production level, natural fluctuations in coal quality and operating performance could affect heat input requirements where heat input may occasionally exceed 8500 MMbtu/hr.

Our question, pertaining to Condition 9, is whether the DAQ would consider the new limits to apply when heat input exceeds 8500 Mbtu/hr during the modification period, that began April 2002, and will end April, 2004. Note that the language of Condition 9 refers to limits at current design, and new limits at the new design after the modifications.

If the DAQ determines that the new limits apply when we exceed 8500 MMbtu/hr during the modification period, we ask further clarification whether those limits are triggered permanently during the rest of modification, or only for those periods where the heat input exceeds 8500 MMbtu/hr.

Our view is that even though Condition 9 stipulates limits before and after the modification, and not during, the new limits nonetheless should probably be applicable in the interim, but only for those periods where the current boiler design rate is exceeded.

### **Clarification - Condition 25**

The language in Condition 25 of AO DAQE-049-02 stipulates that to show the modifications do not result in significant net increases under PSD, IPSC must follow the reporting requirements under the conditions of the WEPCO rule. WEPCO provides that utilities may compare actuals to representative future actuals for determining emission increases from modifications. WEPCO then requires that post modification emissions are monitored and reported for a period 5 years

after the modification to show that no significant net increases have actually occurred causal to those modifications.

The language in Condition 25 (as well as condition II.B.2.f.1 of Title V #2700010001) appears to require reporting under WEPCO beginning immediately. There is no specific allowance in either permit reflecting that WEPCO reporting should start at a later date, which we feel there should be.

Therefore, we are asking whether this was the intent of DAQ (and WEPCO), or if this is an oversight and consequently requires clarification.

Note that in the abstract of the AO, the second to last paragraph states that IPSC will monitor "post change emissions information and submit them to the Utah Division of Air Quality on an annual basis for a period of 5 years...". This language follows directly from WEPCO guidance found in EPA's documents. The terminology "for a period of 5 years" appears to be all inclusive to limit monitoring for this period only.

Accordingly, it would follow that WEPCO monitoring should not begin until the modifications have been completed in their entirety. Further, since the basis of the WEPCO test is tied to annual emissions, the earliest the five year period could begin, as a practical matter, would be one full year after the modifications were first fully utilized.

### **Summary**

IPSC is asking the DAQ to provide interpretive clarification to permit issues concerning limit triggers and post modification monitoring as discussed above. If you have any questions during your review of these issues, please contact my staff through Mr. Dennis Killian, Vice President and Superintendent of Technical Services, at (435) 864-4414, or by e-mail at [dennis-k@ipsc.com](mailto:dennis-k@ipsc.com).

Cordially,

George Cross  
President & Chief Operations Officer

BP/RJC/jg

cc: